



DEPARTMENT OF THE NAVY  
OFFICE OF THE SECRETARY  
1000 NAVY PENTAGON  
WASHINGTON D.C. 20350-1000

31 July 1998

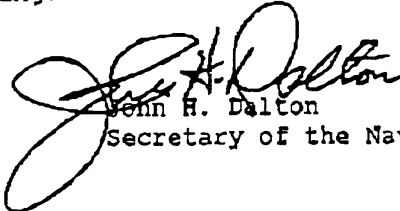
MEMORANDUM FOR CHIEF OF NAVAL OPERATIONS  
COMMANDANT OF MARINE CORPS

Subj: REVOLUTION IN BUSINESS AFFAIRS

As we have discussed with the Secretary of Defense, we cannot currently afford to both modernize and recapitalize our naval forces while protecting operational readiness. I believe we must initiate a comprehensive revolution in business affairs that enables us to maintain credible, combat capable and ready forces with quality people and an efficient support infrastructure.

To do this, we should apply world-class business practices so that the business side of the Department of the Navy is as focused and efficient as the operational side. Our senior people have initiated a process to identify smart business initiatives that could free up resources for reinvestment in our modernization and recapitalization accounts. Implementing these initiatives will require a significant commitment from all our people: Sailors, Marines and Civilians alike.

I have asked the Under Secretary of the Navy to direct this effort. Your leadership, participation and support are essential to ensure success. Please convey to your people the urgency of this undertaking.

  
John H. Dalton  
Secretary of the Navy